


## INDUSTRIE DE NORA S.P.A.

Organisation,  
 Management and Control Model  
 pursuant to Italian Legislative Decree no. 231/2001

<b>Document</b>	<b>Organisation, Management and Control Model</b>
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# General Section

## ADMINISTRATIVE LIABILITY OF ENTITIES

*INTRODUCTION: THE REGULATORY SYSTEM UNDER ITALIAN LEGISLATIVE DECREE No. 231/2001*

With the approval of Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter, for simplicity, "Legislative Decree 231/2001" or the "Decree"), entitled "*Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality*", a complex and innovative system of penalties was introduced into the Italian legal framework, identifying forms of administrative liability for Entities<sup>1</sup> as a consequence of the commission of certain offences. This is dependent on the offence being committed in the interests or to the benefit of the Entity and the perpetrators being:

- 1) persons who hold a "senior" position in the entity's organisational structure (namely, in accordance with Art. 5(1), "*persons holding representation, administration or management positions in the entity or one of its organisational units that enjoys financial and functional autonomy, as well as persons who, including on a de facto basis, exercise management and control over the entity*");
- 2) "*persons subject to management or supervision*" by the latter.

This liability is defined by the legislator as "administrative" but, in effect, has strong similarities to criminal liability. In fact, such liability arises by virtue of and as a consequence of the committing of an offence (not only administrative); it is ascertained in criminal proceedings; the penal measure is always a judicial act (e.g., a judgement); and, above all, it is independent from the liability of the natural person who committed the offence. Hence, in accordance with Art. 8 of the Decree, an Entity may be declared liable even if the natural person who committed the offence cannot be indicted, has not been identified, or if the offence has been extinguished for a reason other than a formal pardon.

In order for an Entity to be liable, the offence committed must be attributable to it on a material level and must also constitute the manifestation of express will or at least derive from an organisational fault, i.e. failure to adopt the necessary controls to avoid the commission of the offence or the adoption of insufficient controls.

Conversely, the liability of an Entity is expressly excluded if the perpetrator of the offence acted in his/her exclusive interest or that of third parties.

Pursuant to Art. 4 of the Decree, liability in relation to offences committed abroad is envisaged for entities with head office in Italy, provided that the substantive and admissibility conditions envisaged in Arts. 7, 8, 9 and 10 of the Italian Criminal Code are met.

Consequently, an entity can be prosecuted when:

- it has its main office in Italy, i.e. the office where administrative and management activities are actually carried out, which may possibly differ from that in which the company or registered office (entities with legal personality) is located, or the place where the business activities are carried out on an ongoing basis (entities without legal personality);
- the country within whose jurisdiction the offence was committed is not prosecuting the entity;

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<sup>1</sup> Pursuant to Italian Legislative Decree 231/2001, the term "Entities" refers to:

- entities with legal personality, such as joint stock companies, limited liability companies, partnerships limited by shares, cooperatives, recognised associations, foundations, other public and private financial entities;
- entities without legal personality, such as general partnerships, limited partnerships (incorporated or de facto) and unrecognised associations.

- the request from the Minister of Justice, on which the punishment may depend, also refers to the entity. These rules concern offences committed entirely abroad by senior officers or subordinates. For criminal conduct occurring entirely or even partially in Italy, the territorial principle pursuant to Art. 6 of the Italian Criminal Code, by virtue of which “the offence is considered committed in Italy, when all or part of the act or omission constituting the offence took place there, or the event occurring there is a consequence of said act or omission”.

### *PREDICATE OFFENCES*

The entity may be held liable only for offences indicated as a source of liability by the Decree or in any event by a law that came into force before the offence was committed, known as 'predicate offences'.

The list, which has been repeatedly extended by the Legislator, currently includes<sup>2</sup> the following types of offence which, for the sake of convenience, can be included in the following 'offence categories'. Please refer to the Regulatory Appendix, Annex 2 to this Model, for details and applicability analyses relating to Industrie De Nora S.p.A.

1. Offences committed in relations with Public Administration (Arts. 24 and 25 of the Decree);
2. Computer crimes and unlawful data processing (Art. 24-bis of the Decree);
3. Organised crime offences (Art. 24-ter of the Decree);
4. Offences relating to the counterfeiting of coins, banknotes, revenue stamps, instruments or identification markings (Art. 25-bis of the Decree);
5. Crimes against industry and trade (Art. 25-bis.1 of the Decree);
6. Corporate offences (Art. 25-ter of the Decree);
7. Crimes for the purposes of terrorism or subversion of the democratic order (Art. 25-quater of the Decree);
8. Female genital mutilation practices (Art. 25-quater.1 of the Decree);
9. Crimes against the person (Art. 25-quinquies of the Decree);
10. Crimes and administrative offences of insider dealing and market manipulation (Art. 25-sexies of the Decree);
11. Manslaughter or actual or grievous bodily harm committed in violation of occupational health and safety regulations (Art. 25-septies of the Decree);
12. Receiving, laundering and using money, goods or gains of illegal origin and self-laundering (Art. 25-octies of the Decree);
13. Crimes relating to payment instruments other than cash (Art. 25-octies.1 of the Decree);
14. Crimes relating to infringement of copyright (Art. 25-novies of the Decree);
15. incitement to not testify or to bear false witness before the judicial authorities (Art. 25-decies of the Decree);
16. Environmental offences (Art. 25-undecies of the Decree);
17. Offence of employing illegally staying third-country nationals (Art. 25-duodecies of the Decree);
18. Offences of racism and xenophobia (Art. 25-terdecies of the Decree);
19. Fraud in sports competitions, illegal gaming or betting and gambling with prohibited equipment (Art. 25-quaterdecies of the Decree);

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<sup>2</sup> List updated as at 3 October 2023, the date of the Board of Directors Approval

20. Tax offences (Art. 25-quinquiesdecies of the Decree);
21. Smuggling (Art. 25-sexiesdecies of the Decree);
22. Offences against cultural heritage (Art. 25-septiesdecies of the Decree);
23. Laundering of cultural assets and destruction and looting of cultural and landscape assets (Art. 25-duodevicies of the Decree);
24. Transnational offences (Art. 10 of Italian Law no. 146 of 16 March 2006).

### ***THE SANCTIONS ENVISAGED IN ITALIAN LEGISLATIVE DECREE No. 231/2001***

The ascertainment of administrative liability of an entity by a criminal court can result in application of the administrative sanctions indicated in Art. 9 of the Decree, such as:

- **fines;**
- **disqualification sanctions;**
- **confiscation;**
- **publication of the conviction.**

#### ❖ Fines

A fine is always applicable and is determined through a 'units system': the criminal court can apply no less than 100 (one hundred) and no more than 1000 (one thousand) units and the value of each unit can vary between a minimum amount (approximately €258) and a maximum amount (approximately €1,549). This amount is set “*on the basis of the economic and financial positions of the entity in order to ensure the effectiveness of the penalty*” (Art. 10 and Art. 11(2) of Italian Legislative Decree no. 231 of 2001).

The court determines the number of units by taking into account objective criteria linked to the seriousness of the offence, the degree of liability of the entity as well as the action taken to eliminate or mitigate the consequences of the event and to prevent the commission of further offences, as well as criteria related to the economic and financial positions of the entity, which affect the calculation of the monetary value of each unit, in order to ensure the effectiveness of the penalty.

Article 12 of the Decree envisages a series of situations in which the fine may be reduced. These are summarised in the following table, with an indication of the reduction applied and the requirements for applying the reduction.

<b>Reduction</b>	<b>Requirements</b>
1/2 (and in any event cannot exceed €103,291.38)	<ul style="list-style-type: none"> <li>• The perpetrator committed the offence in his/her own interest or in that of third parties <i>and</i> the Entity did not benefit or gain a minimal advantage from it;</li> <li><i>or</i></li> <li>• the financial damage caused is particularly slight.</li> </ul>

Reduction	Requirements
from 1/3 to 1/2	<p>[<u>Before</u> the opening statement in the first instance hearing]</p> <ul style="list-style-type: none"> <li>• The Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence or has, in any event, taken effective action in this respect;</li> </ul> <p><i>or</i></p> <ul style="list-style-type: none"> <li>• an organisational model has been implemented suitable for preventing offences of this kind from occurring.</li> </ul>
from 1/2 to 2/3	<p>[<u>Before</u> the opening statement in the first instance hearing]</p> <ul style="list-style-type: none"> <li>• The Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence or has, in any event, taken effective action in this respect;</li> </ul> <p><i>and</i></p> <ul style="list-style-type: none"> <li>• an organisational model has been implemented suitable for preventing offences of this kind from occurring.</li> </ul>

❖ Disqualification sanctions

The disqualifying sanctions, applicable only in relation to the offences for which they are expressly envisaged and meeting the conditions indicated in Art. 13 of the Decree, can impose significant restrictions on the exercising of an entity's business activities, and consist in:

- disqualification from exercising the activity;
- suspension or cancellation of authorisations, licences or concessions functional in the commission of the offence;
- ban on contracting with the Public Administration, except for the provision of public services;
- exclusion from concessions, loans, grants and subsidies, and/or cancellation of any already granted;
- ban on advertising goods or services.

Such sanctions may also be requested by the Public Prosecutor and applied to the Entity by the court as a precautionary measure, when:

- there are serious indications that the Entity is liable for an administrative offence resulting from a crime;
- well-founded and specific elements emerge that suggest there is a real danger that offences of the same nature as that under investigation will be committed.

The disqualifying sanctions have a duration of no less than three months and no more than two years, except for certain exceptions expressly envisaged in the Decree (Art. 25(5) which states that - if the Entity is convicted of corruption - the disqualifying sanction must be applied with a duration of no less than four years and no more than seven years).



The Decree also states that, if the conditions for application of a disqualifying sanction are met, the court - instead of applying this sanction - may order the continuation of business activities by an appointed commissioner for a period equal to the duration of the disqualifying sanction that would have applied, when at least one of the following conditions is met:

- the entity performs a public service or an essential public service the interruption of which may cause serious harm to the community;
- the interruption of the entity's activities, in view of its size and the economic conditions of the territory in which it is located, could have significant repercussions on employment.

❖ Confiscation of gains from the offence

The confiscation of gains from the offence consists in the compulsory acquisition by the State of the price of or the gain from the offence, except for the part that can be returned to the injured party and, in any case, without prejudice to the rights acquired by third parties in good faith; when a confiscation in kind is not possible, it may involve sums of money, goods or other benefits of a value equivalent to the price or gains from the offence.

❖ Publication of the conviction

Publication of the conviction consists in the single publication, in full or in abstract form, by the court registry and at the expense of the entity, in one or more newspapers indicated by the court in the sentence, as well as display in the Municipality where the entity has its main office.

The publication of a conviction may be ordered when a disqualifying sanction is applied to the entity.

Lastly, pursuant to Art. 26 of the Decree, if the offence is attempted commission:

- the fine and disqualifying sanction are reduced by one third to one half;
- the entity is not liable for the offence when it voluntarily blocks the action or prevents occurrence of the event.

### *IMPLEMENTATION OF ITALIAN LEGISLATIVE DECREE No. 231/2001*

Although the Decree does not envisage the mandatory implementation of the Model, in order to avoid as much as possible any unlawful act by persons occupying a 'senior' position as well as by its employees, Industrie De Nora Italy s.r.l. (hereafter, the "Company" or "IDN"), has adopted a specific Model, duly approved by the Board of Directors through a resolution dated 20.12.2012.

Updated versions of this Model were subsequently approved through resolutions dated 21.05.2014 (Revision 2), 12.09.2016 (Revision 3), 30.05.2018 (Revision 4), 05.05.2021 (Revision 5) and 03.08.2022 (Revision 6), respectively. The current version is therefore no. 7. The various updates were deemed appropriate taking into account:

- the organisational changes within the Company,
- developments in case law, legal theory and the regulatory framework,
- best practices for Italian companies with regard to the models,
- the results of supervisory activities and outcomes of internal control activities;
- the Confindustria 'Guidelines for the construction of organisation, management and control models pursuant to Italian Legislative Decree 231/2001' updated most recently in June 2021.

Again with regard to implementing the provisions of the Decree, the Board of Directors, in putting the Model into effect, entrusted the role of internal control body to a Supervisory Body (hereinafter, for simplicity, the **SB**), having autonomous duties of supervision, control and initiative in relation to the Model.

The SB is responsible for ensuring that the Entity has a suitable organisational model and for overseeing its effective implementation, ascertaining the effectiveness of its functions and ensuring it is progressively updated, so as to guarantee constant adjustment to subsequent changes of an operational and/or organisational nature.

### *CONFINDUSTRIA 'GUIDELINES' AND OTHER GUIDING PRINCIPLES*

Art. 6(3) of the Decree envisages that the Models can be adopted - guaranteeing the requirements referred to in the previous paragraph - on the basis of codes of conduct drawn up by associations representing the entities and communicated to the Ministry of Justice.

In light of the above, all the main trade associations have approved and published their own codes of conduct. In particular, it is worth remembering that, in June 2021, Confindustria published the latest updated version of its 'Guidelines for the construction of organisation, management and control models'. The Company, considering that the Guidelines contain a series of indications and measures suitable for meeting the needs outlined by the legislator, has also been guided by its principles (which should be referred to in full) for the construction of this Model. In preparing this Model, account was also taken of the document approved at the meeting of 18 December 2018 by the National Council of Chartered Accountants and Accounting Experts, drafted jointly with ABI, the National Forensic Council and Confindustria, containing 'Consolidated principles for the preparation of organisation models, activities of the supervisory body and revision prospects of Italian Legislative Decree no. 231 of 8 June 2001' (February 2019 version).

### *ADDRESSEES OF THE MODEL*

The addressees of the rules and requirements contained in the Model comprise all Company representatives: shareholders, directors, members of the other corporate bodies and employees.

The following are also addressees of the Model and are thus required to respect its contents:

- external agents, freelancers, consultants and commercial and/or industrial partners.
- parties collaborating with the Company by virtue of a para-subordinate, temporary or agency employment relationship, etc.;
- parties acting in the interests of the Company as they are linked to it by contractual legal relationships or by agreements of another nature, e.g. as partners in joint-ventures or partners for the implementation or acquisition of a business project.

All addressees of the Model are required to comply with its provisions and its implementation procedures.

### *ORGANISATION AND MANAGEMENT MODEL*

Articles 6 and 7 of the Decree govern cases in which the Entity is not liable for an offence committed by the persons indicated in Art. 5. These rules highlight a difference in regulations, and the rules of evidence,

between offences committed by persons holding a senior position and those committed by their subordinates.

In fact, by introducing a reversal of the burden of proof, Art. 6 stipulates that the Entity is not liable for offences committed by senior officers, if it can demonstrate that:

1. prior to the commission of the act, the management body adopted and effectively implemented organisation and management models suitable for preventing offences of the same nature as that which occurred;
2. the duty to oversee the functioning of the models and compliance and to arrange related updates has been entrusted to a Body of the Entity having autonomous powers of initiative and control;
3. the perpetrators committed the offence by fraudulently evading the organisation and management models;
4. there was no omitted or insufficient supervision by the Body indicated in paragraph 2.

According to Art. 7, for offences committed by persons under the management of others, the Entity shall only be liable, however, if the commission of the offence was made possible by failure to comply with management or supervisory obligations (but, in such circumstances, the burden of proof lies with the prosecution). In any event, such obligations are assumed to be respected if the Entity, prior to the commission of the offence, had adopted and effectively implemented an organisation, management and control model suitable to prevent offences of the same nature as that which occurred.

### *PURPOSE AND OBJECTIVES OF THE MODEL*

The objective of the Model is to implement a structured and consistent system of procedures and control activities (preventive and subsequent), aimed at effectively combating the risk of committing the offences, by identifying the activities at risk and the necessary regulation thereof.

Consequently, the rules contained in this Model are intended, on the one hand, to make the potential perpetrator of offences aware of their illegality and the unfavourable stance taken by the Company with respect to such conduct, even where the Company might benefit, and, on the other hand, to allow the Company to intervene promptly to prevent or impede the perpetration of such offences, by virtue of systematic monitoring of the activities and processes at risk.

The objectives of the Model thus include that of raising the awareness of senior officers and those under the management of others as to the significance of the legislation in question, making them aware of the fact that, in the event of conduct not compliant with the provisions of the Model, rules and associated procedures, laws and applicable regulations, they may incur penalties - according to the rules contained in this document - and, regardless of any personal criminal liability, the Company may also be held liable, in accordance with the Decree, with the consequent application of fines and/or disqualifying sanctions.

### *STRUCTURE OF THE MODEL*

This Model consists of a 'General Section' and a 'Special Section', drawn up following the risk mapping activity, which identified the business processes that appear susceptible to commission of the predicate offences, based on the main sensitive activities included in each process.

IDN's activities have been classified into 13 specific 'business processes':

1. Management of obligations and relations with Public Bodies, including in the event of legal disputes;
2. Management of the purchase of goods, services and consultancy;
3. Personnel selection, recruitment and administrative management;
4. Management of communication activities, as well as charitable acts, sponsorships, donations and gifts;
5. Management of monetary and financial flows;
6. Management of accounting, reimbursement of expenses to employees, entertainment expenses, preparation of financial statements and other corporate disclosures;
7. Management of corporate obligations and relations with control bodies and shareholders;
8. Management of relations with the market;
9. Management of environmental and occupational health and safety obligations;
10. Management of research and development activities and intellectual property;
11. Management of information systems;
12. Management of intercompany relations (contracts and loans);
13. Management of tax returns.

## *ADOPTION OF THE MODEL*

### **Approval of the Model**

The Model must be approved by a resolution of the Company's Board of Directors, after consulting the Supervisory Body; the Control, Risk and ESG Committee and the Board of Statutory Auditors. The task of implementing and updating the 231 Model was assigned to the Chief Executive Officer, by virtue of his/her delegated powers.

### **Amendments and additions**

This Model is a document issued by the management body, in compliance with the provisions of Art. 6(1)(a) of the Decree: any subsequent amendments and additions of a substantial nature to the Model may be made - if necessary at the proposal of the SB - only by the Board of Directors.

Power is therefore granted to the Chairman - as well as to each director - to report to the Board of Directors, every time he/she considers it appropriate or necessary for any changes to be made to the Model. The Board of Directors - also as proposed by the SB - has the power to adopt specific resolutions to supplement the Model, by updating the Special Section relating to the types of offences that, by virtue of any future regulatory interventions, may be added or in any case connected to the scope of application of Italian Legislative Decree no. 231/2001.

## THE OFFENCE RISK CONTROL SYSTEM

*INTRODUCTION: COMPANY CONTEXT*

Industrie De Nora S.p.A. (hereinafter, the “Company” or “IDN”) is a company limited by shares established in Italy, the majority of whose share capital is held by the parent company Federico De Nora S.p.A.; it is the holding company of the De Nora Group, where the corporate structures and services are centralised. The Company has been listed on Borsa Italiana's Euronext Milan market since 30 June 2022. The company controls and coordinates intellectual property and makes decisions regarding the approach to the markets and which product portfolio and production strategies are to be adopted. Industrie De Nora S.p.A. houses the centralised Corporate functions that provide services to the various Group companies: *Energy Transition & Hydrogen, M&A and CEO office, Administration, Finance and Controls (AFC) & Information and Communications Technology (ICT), Legal, Internal Audit, Human Resources Organisation, Internal Communication & Reputation (HR), Marketing Business Development & Product Management (MBD), Research and Development (R&D), Intellectual Property (IP) & Production Technologies, Global Operations and Innovation, Global Procurement.*

Through its subsidiaries, IDN has a direct or indirect presence in various countries other than Italy, including Germany, the United Kingdom, the United States, China, India, Brazil, Japan, Singapore, Dubai, the Netherlands, South Korea and Abu Dhabi. The DN Group is composed of IDN and its subsidiaries.

The De Nora Group is an international leader in the development, production and sale of innovative products, technologies and solutions for electrochemical processes and energy transition, as well as systems and equipment for water treatment and disinfection. In particular, the Group is the most important global supplier of metal electrodes for the chlor-alkali market, for the electronics industry and for the refining of nickel and cobalt.

The Group also holds a globally important position in the production of components for energy transition solutions, having invested in research and development in recent years, established partnerships with major players in expected fast-growing market, and having significant production capacities for the manufacture of electrodes and components for the generation of green hydrogen through the alkaline electrolysis of water.

The Group excels (i) for its acknowledged technological leadership in the main reference markets in which it operates; (ii) for the wide range of solutions, constantly renewed through research & development activities and capable of effectively grasping the main sustainability megatrends, including clean energy requirements, and responding with proprietary technologies to the opportunities they generate; (iii) for its leadership in the electrochemical sector, which allows its strong positioning as a provider of technologies for energy transition and, in particular, for the production of green hydrogen.

In particular, the DN Group identifies the following three operational business segments:

- the *Electrode Technologies* segment ("ET");
  - the *Water Technologies* segment ("WT");
  - the segment linked to the production of green hydrogen and the *Energy Transition* (“ETr”).
- **Electrode Technologies:** represents the Group's historical core business since its foundation and includes the offer of metal electrodes (anodes and cathodes) coated with special catalysts, electrolyser components and systems, with multiple applications, in particular (i) in the production processes of

chlorine and caustic soda; (ii) in the electronics industry and in the production of components for lithium battery production; (iii) in the refining of non-ferrous metals (nickel and cobalt); (iv) in the galvanic finishing industry; (v) in the cellulose and paper industry; and (vi) in the infrastructure sector for the prevention of corrosion of reinforced concrete and metal structures;

- **Water Technologies:** this includes the offer related to water treatment systems, which includes electrodes, equipment, systems and facilities for disinfection and filtration of drinking, waste and processing water; the main applications are residential swimming pool disinfection, municipal water disinfection and filtration, and industrial and marine water treatment;

- **Energy Transition:** this includes the offer of electrodes (anodes and cathodes), electrolyser components, and systems (i) for the generation of hydrogen and oxygen through water electrolysis processes, (ii) for use in fuel cells for electricity generation from hydrogen or another energy carrier (e.g., methanol, ammonia) without CO<sub>2</sub> emissions, and (iii) for use in redox flow batteries.

As part of the project to streamline and simplify the corporate structure of the Group, the Company transferred to its subsidiary De Nora Italy s.r.l. (hereinafter also referred to as "DNIT"), effective from 1 January 2018, the industrial activities in the sector of design, construction and marketing of electrodes, electrolysers for electrochemical plants and electrochemical systems for the production of biocides carried out at the Cologno Monzese (MI) plant, as well as at the Milan facility and the Singapore facilities.

The research and development activities in the electrochemical sector were not transferred and remain the activities of IDN which, in this field, retains a significant portfolio of trademarks and patents. However, the subsidiary DNIT is responsible for the production and commercial organisation of the industrial activities, including assets instrumental to the performance of those activities, the warehouse and a number of employment relationships.

The Company has its registered and administrative offices at Via Bistolfi no. 35, Milan, where the research and development laboratories also operate.

### *THE COMPANY'S GOVERNANCE STRUCTURE*

IDN adopts a 'traditional' administration and control system in accordance with Art. 2380-*bis* et seq. of the Italian Civil Code.

The governance structure is based upon the following Bodies:

- **Shareholders' Meeting:** the Body that expresses, through its resolutions, the will of the shareholder; the shareholders' meetings are the opportunity to establish productive dialogue between the Shareholder and the Directors in the presence of the Board of Statutory Auditors.
- **Board of Directors:** appointed by the Shareholders' Meeting, this is the Body that oversees the strategic decisions, corporate policies and the definition of the corporate objectives; it is entrusted management of the business in order to achieve the corporate purpose. The Board of Directors is in charge of the functions and related responsibilities in relation to strategic and organisational guidelines, as well as for checking that the necessary controls are in place to guarantee the fairness and legitimacy of the Company's actions.
- **Chairman of the Board of Directors and Chief Executive Officer** or Executive Director: the persons vested with specific powers by the Board of Directors, with the power to subdelegate in certain matters, for the administration and management of the business in accordance with the provisions of law and the Articles of Association.
- **Board of Statutory Auditors:** the body having supervisory functions in relation to compliance with the law and the Articles of Association, as well as management control. The Board of Statutory Auditors, as part of the duties entrusted to it by law, oversees, with the support of the

company control structures, the actual functioning of the internal control system and verifies the adequacy of the organisational, administrative and accounting structure approved by the Board of Directors, to which it reports any anomalies or weaknesses.

The bodies tasked with overseeing the company, vested with particular characteristics of independence and autonomy, also include:

- **the Independent Auditor**, responsible for checking that the accounts are kept properly and that management events have been correctly recorded in the accounting records. In particular, it produces a specific report expressing an opinion on the annual and consolidated financial statements.
- the **Supervisory Body** (as detailed below, page 20 et seq.) monitors compliance with and actual implementation of this Model, manages and monitors the training and information initiatives for disseminating awareness and understanding of the Model within the company and among parties operating in its interest, and proposes adaptations and updates to the Model (e.g., following changes to the company's organisation and activities, amendments to the relevant regulatory framework, anomalies or confirmed infringements of the provisions of the Model).
- **Internal Board Committees** which, on the Board's behalf, perform preliminary, advisory and/or proposal-making functions on appointments, remuneration and risks, as well as in implementation of the Related Party Transactions Regulation adopted by CONSOB. In particular, the Committees established since 30 June 2022 are the Control, Risk and ESG Committee, the Appointments and Remuneration Committee and the Related Parties Committee.
- **Ethics Committee**, responsible for ensuring compliance with the Code of Ethics and coordinating any reports of violations thereof.
- **Internal Audit**: tasked with verifying, on a continuous basis and in relation to specific needs and in compliance with international standards, the functioning and suitability of the internal control and risk management system, through an audit plan approved by the administrative body, based on a structured process of analysing and prioritising the main risks. It reports to the presidents of the control body, the Control and Risk Committee and the management body, as well as to the Chief Executive Officer, on its activities and on the methods whereby risk management is carried out as well as on compliance with the plans defined for the containment thereof.
- **Compliance**: responsible for monitoring laws and regulations with potential impacts on the Group's business processes, identifying compliance risks that could result in judicial and administrative sanctions and consequent reputational damage and providing support and/or guidance on any initiative aimed at revising, drafting, updating, harmonising or improving compliance policies and plans.
- **Financial Reporting Manager pursuant to Law no. 262/05**: responsible for supervising the internal control system on financial reporting and preparing the administrative and accounting procedures for the drafting of periodic accounting documentation and all other financial disclosures.

In addition to the entities mentioned above, other parties envisaged by various regulations (ISO certification bodies, etc.) may intervene, for various reasons and with different levels of responsibility, in the management of the Internal Control and Risk Management System.

## *GENERAL PRINCIPLES OF CONTROL*

The internal structure of IDN and its relations with the parties directly and indirectly involved in its activities are organised according to rules that ensure a fair balance between management powers and the interests of shareholders, in particular, and other stakeholders, in general, as well as the transparency and market visibility of management decisions and corporate events in general that may significantly influence the price of financial instruments issued.

As part of the initiatives aimed at maximising value for shareholders and guaranteeing transparency of management operations, IDN defines, implements and progressively adapts a structured and standardised system of rules of conduct regarding its internal organisational structure and its relations with shareholders and third parties, in compliance with the most advanced Italian and international corporate governance standards, aware of the fact that the company's ability to establish efficient and effective operating rules is essential for strengthening its reputation in terms of reliability, transparency and stakeholder confidence.

IDN ensures the utmost transparency and timeliness of information disclosed to shareholders and the market, including through its website, in compliance with the regulations applicable to listed companies. IDN identifies the following main principles, which must be respected, as specific tools for planning the drafting and implementation of the Company's decisions and for guaranteeing appropriate supervision thereof, including in relation to the offences to be prevented:

- assignment of responsibilities: job descriptions and organisational charts with clear reporting flows;
- delegated powers and powers of attorney: assignment of delegated powers and powers of attorney that reflect management responsibilities, with the assignment of consistent powers of representation and aligned (but never unlimited) spending powers;
- manual and computerised procedures: the presence of adequate company provisions to supervise sensitive areas in compliance with the principles of segregation of roles, traceability and control;
- segregation of roles: separation within each process between the decision-making party, the executing party and the party responsible for process control;
- reporting and traceability: the demonstration, through precise document tracking, of how a specific Company event or decision-making process unfolds;
- periodic information flows to the SB: the sending of periodic reports to the Supervisory Body by the Company functions most at risk;

All actions, transactions and negotiations carried out and, in general, the conduct adopted by IDN people in performing their work activities are inspired by the utmost fairness, completeness and transparency of information, legitimacy from a formal and substantial point of view and clarity and truthfulness of accounting documents in accordance with current regulations and internal anti-corruption policy procedures.

## *INTEGRATED ORGANISATIONAL STRUCTURE DOCUMENTATION*

The Company's organisational structure is represented and formalised completely and comprehensively through an organisation chart, organisational communications and intercompany contracts.



This set of documentation clearly identifies all organisational units and their respective duties and responsibilities and the hierarchical and functional reporting flows.

In this regard, in order to crystallise the synergies existing within the Group in terms of efficient use of skills and streamlining the use of the central structures, IDN performs certain internally-established organisational unit activities (such as Legal, ICT, AFC, HR, Procurement) for its subsidiaries.

These activities are formalised through specific intercompany agreements between related parties signed between IDN and the subsidiaries, regulated according to normal market conditions.

### System of Delegations

The Board of Directors delegates powers to its members, establishing the contents, limits and procedures for exercising such powers. Where sub-delegation of powers is envisaged, the Chairman or Chief Executive Officer can appoint special attorneys to perform certain acts or categories of acts, sub-delegating part of the powers assigned to them and within their respective limits.

The assignment of delegations or powers of attorney and related adjustments are constantly monitored by the delegating bodies, in order to guarantee:

- clear identification and specific delegation of powers and limitations to persons whose actions commit the Company and manifest the company will;
- consistency of the delegated powers with the assigned organisational responsibilities;

### Integrated internal regulatory system

The Company's overall system of internal rules clearly, consistently and comprehensively regulates all relevant operating methods.

The Policies, issued by the Board of Directors, define the guidelines in relation to governance, organisation and internal control and risk management and in relation to the core business activities.

The procedures and other regulatory instruments adequately regulate the processes and work flows:

- identifying the operating methods and information flows;
- guaranteeing the formal documentation of the activities and the possibility of their *ex-post* reconstruction as well as monitoring and line control;
- clearly identifying the responsibility for the process;
- guaranteeing the segregation of duties and responsibilities;
- guaranteeing accessibility and awareness through adequate information and training activities on the company regulations.

In this regard, all Italian and foreign companies controlled by IDN adopt the **Code of Ethics, Annex 1** to this Model, and the internal procedures ensure that, in managing the activities at risk for the purposes of corporate liability, all subsidiaries implement principles and control measures coherent with the principles and control measures established by the Parent Company. In this regard, it should be noted that IDN has established an Ethics Committee which has the task of promoting the dissemination and implementation of the principles of the Code of Ethics in all Group companies, to support the

conducting of investigations in the event of reports, as well as to verify the adequacy of the Code of Ethics itself, incentivising any updates and additions.

### **Risk mapping**

Art. 6(2)(a) of Italian Legislative Decree 231 of 2001 indicates, among the requirements of the model, the identification of the processes and activities in the area of which the crimes likely to determine corporate liability may be committed.

Prior to identifying the business Processes and main sensitive activities within the Company, an analysis - mainly documentary - is performed of the corporate and organisational structure of IDN, with the aim of identifying the business areas subject to action. To this end, an inventory is made of the potentially 'sensitive' business processes with reference to the types of offence regulated by the Decree.

Having identified the key persons able to provide operational support in mapping operations, the identification of at-risk processes/activities continued through a series of interviews with persons operating in the area of the relevant company functions, with the aim of analysing the management processes and active control instruments for each sensitive activity.

Any analysis of the risk profiles of the offences of manslaughter and accidental injury committed in breach of the workplace safety regulations has been conducted, taking into account the Risk Assessment Document drafted pursuant to Art. 17 of Italian Legislative Decree No. 81 of 2008, as well as all the procedures and operating instructions already formalised within the Company.

**SUPERVISORY BODY (SB)*****IDENTIFICATION OF THE SB***

Art. 6(1) of the Decree envisages that the Entity may be exempt from liability if it proves, inter alia, that the duty to oversee the functioning and compliance with the organisation and management model and to deal with its update was entrusted to a Body of the Entity, having autonomous powers of initiative and control.

The SB of IDN is a collective body, composed of three members, at least one of whom is a non-executive director and/or a member of the control body and/or the holder of corporate legal or control offices ('internal member') pursuant to the recommendations of the Corporate Governance Code. The SB is appointed by the Board of Directors and its members are chosen from among persons with proven professionalism and integrity, and specific skills in relation to audit, administration/management and legal issues. The term of office is established at the time of appointment and is sufficiently long to allow stable and professional exercising of the function.

If the mandate of one of the SB members is revoked or terminated during the term of office, the Board of Directors shall replace him/her without delay.

The mandate of a member of the Supervisory Body may only be terminated for just cause and requires a resolution of the Company's Board of Directors.

The following qualify as just cause for termination of office:

- failure to inform the Board of Directors of a conflict of interests that prevents continuation of his/her role as member of the Body;
- violation of the confidentiality obligations with regard to news and information acquired during the exercising of Supervisory Body functions;
- for a member linked to the Company by an employment relationship, the opening of disciplinary proceedings for events that could result in dismissal.

If revocation is pronounced without just cause, the removed member can ask for immediate reinstatement.

On the other hand, the following circumstances shall trigger the removal of the entire Supervisory Body:

- ascertainment of a serious breach by the Supervisory Body in the performance of its audit and control tasks;
- conviction of the Company, even if not yet final, or a plea-bargaining ruling applying the penalty at the request of the parties pursuant to Art. 444 of the Code of Criminal Procedure, where records show omission or insufficient supervision by the Supervisory Body.

Any person who has been subject to a final criminal conviction ruling<sup>3</sup> that involves disqualification, temporary or permanent, from public office or from management roles in legal entities, as well as anyone

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<sup>3</sup> The application of a plea bargain pursuant to Art. 444 of the Italian Code of Criminal Procedure is understood to be equivalent to a conviction ruling.

who has been convicted, even if not yet final, of one of the crimes indicated in the Decree are ineligible for the role of member of the SB (or, if occurring at a later date, constitute just cause for termination of office).

Directors with delegated powers and shareholders who, in a senior position, perform functions and activities among those most subject to the supervision and assessment of the SB may not be appointed members of the SB.

The external members of the SB must not have and/or have had - during the last five years - direct economic and commercial relationships with the Company that might jeopardise their autonomy; they may not be connected by a family link or kinship with parties that have (or have had) such relationships with the Company, nor with parties that hold top management functions within it.

At the time of election, the appointed persons will issue a specific declaration of not being subject to any of the indicated causes of ineligibility.

### ***SB PREROGATIVES AND RESOURCES***

For the exercise of its functions, the SB has full organisational and financial autonomy.

To that end, at the start of each financial year, the SB agrees with the Board of Directors the amount of resources required for its activity. The management, use and allocation of such resources are then decided by the SB autonomously and independently.

The SB may collaborate with other persons belonging to the Company if their knowledge and specific expertise is required. Among these, a particular role may be played by the Internal Audit Function, which can carry out specific controls and audits of the relevant processes pursuant to Italian Legislative Decree 231/2001, as well as by the Compliance Function for regulatory checks and updates.

In cases of particular need, the SB will have the right to obtain advice from external professionals, to whom it may delegate limited areas of investigation.

### ***SB FUNCTIONS AND POWERS***

The SB is entrusted on a general level with the duty to oversee:

- a) compliance with the requirements of the Model and the documents related to it by the addressees, adopting any necessary initiatives;
- b) the actual effectiveness and capacity of the requirements of the Model, in relation to the company structure, to prevent the commission of the crimes indicated in the Decree;
- c) the opportunity to update the provisions and rules of conduct of the Model.

In particular, the SB will achieve the aforementioned purposes through:

- the activation and performance of any control activity considered appropriate;
- scrutiny of the Company's activity, for the purposes of updating the mapping of the at-risk activity areas;
- implementation of any suitable initiative to facilitate the raising of awareness and understanding of the Model by the Company representatives, shareholders, employees and any external collaborators;

- collection, investigation and storage of information received by it;
- coordination with other company functions;
- ascertainment of any possible violation of the requirements of this Model and/or the Decree and the proposal to start any disciplinary proceedings;
- reporting to the Board of Directors of any deficiencies of the Model and consequent proposal of any appropriate modification or improvement;
- collection information on conduct or situations in contrast with the provisions of the Model and the implementing procedures of the same, along with any circumstance potentially likely to facilitate or in any case make possible the commission of the crimes or relating to crimes already committed.

The activities carried out by the Supervisory Body cannot be reviewed by any other corporate body or structure, without prejudice, however, to the fact that the Board of Directors is in any case required to supervise the adequacy of SB activities, as the Board has ultimate responsibility for the functioning (and effectiveness) of the Model.

## **INTERNAL INFORMATION FLOWS**

### **Reporting obligations to the SB**

Art. 6(2)(d) of the Decree states that Organisation and Management Models must make provision for specific reporting obligations to the Body in charge of overseeing the functioning and compliance of the Model, i.e. the SB.

All Addressees of the Model must communicate to the SB all information and data relevant for the purposes of preventing the sensitive types of crime pursuant to Italian Legislative Decree 231/2001, and pertaining to the adequacy, updating and compliance of the Model.

The SB receives the following flows:

- **periodic and continuous information flows (quarterly, half-yearly and annual reports);**
- **event-specific information flows.**

The omitted/delayed/unjustified transmission of information flows constitutes a violation of the Model and a disciplinary offence which may be duly sanctioned. In this regard, the SB may suggest to the Board of Directors that disciplinary proceedings be brought against anyone who breaches the reporting obligations identified.

The Board of Directors and other corporate bodies are required to provide full details to the SB on issues that fall within its purview.

The Company's shareholders and representatives are required to give the SB prompt notification of any anomaly detected in the conducting of company activities, in relation to at-risk activities, as well as of any subsequent measures adopted.

### **Periodic and continuous information flows**

The periodic and continuous information flows to the SB are sent through reports on a specific form prepared by the Company, based on specific instructions laid down in this regard by the SB, which differ

according to the different company functions: these are reports of general and summary nature of what has already been communicated promptly to the SB.

The report must be completed and signed by the managers of the company functions involved in the most at-risk sensitive activities and sent spontaneously to the SB, accompanied by any attachments, within thirty days of the end of each reporting period.

### Event-specific information flows

The Addressees are required to inform the SB of all news and information that may be required under the Special Section of the Model, as well as any other information that may be relevant pursuant to Italian Legislative Decree no. 231/2001 which must be promptly reported when certain significant events occur. By way of example but without limitation, flows belonging to the following macro-categories must be communicated:

- changes to the company's organisational structure;
- renewals or obtaining of new certifications;
- accidents, near misses, incidents, occupational diseases, suspected occupational diseases and/or other anomalies in relation to accident prevention;
- measures and/or information originating from Judicial Police bodies or from any other authority, revealing the conduct of investigations, also against unknown persons, for the crimes cited by the Model;
- any other information considered useful to improving the Model.

### Information flow communication channels

All information flows must be sent to the SB, either:

- electronically, by sending an email to the SB email address: [ODV\\_IDN@legalmail.it](mailto:ODV_IDN@legalmail.it) (communicated by the Company by sufficient means of dissemination, such as internal circulars or by affixing notices on the company notice boards);
- on paper, by delivery to the SB on the occasion of meetings held by the same at the Company (if compatible with the timescales/deadlines set for sending the respective information flow).

### *PERIODIC CHECKS*

The SB must carry out periodic checks (no less than four times a year and in any case whenever necessary) aimed, in particular, at:

- overseeing the functioning of and compliance with the Model by all persons who operate within the Company and on behalf of the same;
- obtaining any useful information for making proposals in relation to the updating of the Model;
- ascertaining the effective suitability of the Model to prevent the commission of crimes;
- checking the constant adequacy of the information channels established for reporting significant illegal conduct in accordance with Italian Legislative Decree 231/2001 and/or violations of this Model as envisaged by the regulations on whistleblowing (Italian Legislative Decree no. 24/2023);

- guaranteeing compliance with the prohibition on acts of retaliation or discrimination, direct or indirect, against whistleblowers for reasons connected, directly or indirectly, to the report;
- verifying the correct use of information channels by those reporting the committing of criminal offences and/or violations of this Model.

The SB analyses all reports received, events considered at risk and information and training initiatives implemented to disseminate, at all company levels, awareness of the provisions of the Decree and this Model.

The outcomes of the checks performed, and any critical areas found must be reported to the Board of Directors, at its next meeting, indicating, if appropriate, any adjustments to be made.

### **WHISTLEBLOWING REGULATIONS (ITALIAN LEGISLATIVE DECREE No. 24 OF 2023)**

With Italian Legislative Decree no. 24/2023, *“implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons reporting violations of national regulatory provisions”*, the legislator revised the Whistleblowing regulations previously in force, which were differentiated on the basis of the public or private nature of the entity within which reports were made, as well as, for private entities, the adoption of the Model.<sup>4</sup>

The aforementioned regulations amended the provision pursuant to Art. 6 of Italian Legislative Decree no. 231/2001, stipulating, in paragraph 2-bis, that Organisation, Management and Control Models must ensure: internal reporting channels for whistleblowing reports, a ban on retaliation and a disciplinary system, adopted pursuant to paragraph 2(e), compliant with the provisions of Italian Legislative Decree no. 24/2023. The Decree also repealed paragraphs 2-ter and 2-quater of Art. 6.

In particular, in implementing the provisions of Italian Legislative Decree no. 24/2023, the Company has adopted a specific policy (the *"Global Whistleblowing Policy"*, hereinafter also the *"Policy"*), to which reference is made and which supplements this Model with regard to the operational management of reports. This Policy specifically governs:

- the parties authorised to make reports;
- the internal reporting channels;
- the procedures and conditions for making internal reports.

### **Authorised parties and Content of the report**

The information contained in the report must refer to violations of which the whistleblower has become aware within the 'working context' of relations with IDN.

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<sup>4</sup> Italian Legislative Decree no. 24/2023 grants protection to the following categories of whistleblowers: employees; self-employed workers; agents; freelancers; consultants; volunteers; trainees; shareholders and persons with administrative, management, control, supervisory or representation functions. The protection granted by Italian Legislative Decree no. 24/2023 also applies in cases of:

- legal relationships not yet initiated, if information on the violations was acquired during the selection process or in other pre-contractual phases;
- during the trial period;
- after termination of the legal relationship, if information on the violations was acquired during the relationship.

In this regard, in fact, all those operating within the 'working context' of Industrie De Nora S.p.A., both internal, such as employees, volunteers or trainees, even if unpaid, as well as shareholders (natural-person shareholders) and members of the administration and control bodies, and external parties with business relations (e.g. suppliers, but also freelancers or self-employed workers) may make a report.

In detail, on the basis of the provisions of Italian Legislative Decree no. 24/2023, the following information may be the object of reports:

- administrative, accounting, civil or criminal offences<sup>5</sup>;
- significant conduct pursuant to Italian Legislative Decree no. 231/2001, or violation of the organisation and management model;
- offences falling within certain areas of EU law (public procurement; financial services, products and markets and the prevention of money laundering and terrorist financing; product safety and compliance; transport safety; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of personal data and security of networks and information systems);
- acts or omissions that harm the financial interests of the European Union and the free movement of goods, persons, services and capital;
- acts or omissions that harm the financial interests of the Union referred to in Article 325 of the Treaty on the Functioning of the European Union specified in the relevant EU secondary legislation<sup>6</sup>.

Personal details can be provided when submitting a report or the party concerned may choose to remain anonymous. Anonymous reports will be handled as ordinary reports<sup>7</sup>;

The reports must be duly substantiated to allow assessment of the facts and be based on precise and consistent factual elements.

In particular, the following elements are necessary as a minimum:

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<sup>5</sup> Whether also significant pursuant to Italian Legislative Decree no. 231/2001, or violation of the organisation and management model.

<sup>6</sup> Pursuant to Art. 2(1)(a) of Italian Legislative Decree no. 24/2023:

*"For the purposes of this decree, the following definitions apply:*

*a) "violations": conduct, acts or omissions that harm the public interest or the integrity of the public administration or a private entity and which consist in:*

*1) administrative, accounting, civil or criminal offences that do not fall under points 3), 4), 5) and 6);*

*2) significant unlawful conduct pursuant to Italian Legislative Decree no. 231 of 8 June 2001, or violations of the organisation and management models envisaged therein, which do not fall under points 3), 4), 5) and 6);*

*3) offences falling within the scope of application of European Union or Italian acts indicated in the annex to this decree or Italian acts that constitute implementation of the European Union acts indicated in the annex to Directive (EU) 2019/1937, albeit not indicated in the annex to the decree, relating to the following sectors: public tenders; financial services, products and markets; prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy protection and personal data protection; network and information system security;*

*4) acts or omissions that harm the financial interests of the Union referred to in Art. 325 of the Treaty on the Functioning of the European Union specified in the relevant EU secondary legislation;*

*5) acts or omissions concerning the domestic market, referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including infringements of European Union competition and state aid rules, as well as violations affecting the domestic market associated with acts that violate corporate tax rules or mechanisms so as to receive a tax benefit that defeats the object or purpose of applicable corporate tax regulations;*

*6) acts or conduct that defeat the object or purpose of Union regulatory provisions in the areas indicated in points 3), 4) and 5)."*

<sup>7</sup> In light of the *Guidelines on the protection of persons reporting breaches of Union law and the protection of persons reporting violations of national regulatory provisions. Procedures for the presentation and management of external reports ("ANAC Guidelines")*: "ANAC equates anonymous reports received to ordinary reports and manages them in compliance with the Supervisory Regulations. Public and private sector entities consider anonymous reports received through internal channels as ordinary reports, where their processing is envisaged".



- clear and complete description of the events being reported;
- circumstances of time and place in which the reported events occurred (if known);
- personal details or other information identifying the perpetrator of the events reported;
- any other useful documents or information as evidence of the reported facts.

It is prohibited to submit groundless reports with wilful intent or gross negligence. In particular, Italian Legislative Decree no. 24/2023 requires that the protection measures envisaged apply to related addressees when the following conditions are met:

- at the time of the report, the whistleblower had reasonable grounds to believe that the information regarding the violations reported was true and fell within the scope of application of Italian Legislative Decree no. 24/2023;
- the report is conveyed through internal or external channels as governed by the Policy.

The reasons that led the person to submit a report are irrelevant for the purposes of their protection.

Any violation of the prohibition, and likewise any failure to report any events, shall constitute a disciplinary offence and, as such, may be sanctioned in accordance with the disciplinary system of this Model.

Personal grievances may not form the subject of reports<sup>8</sup> and will not be accepted.

### Reporting channels

In order to maintain the confidentiality of the whistleblower's identity, specific internal reporting channels are in place. These channels are monitored and managed by the IDN Internal Audit Director and Compliance Manager (the “Addressees of the report”) without prejudice to the central management and coordination role entrusted to the Ethics Committee which is consulted by the Addressees after receiving a report.

All reports can be received

- through the De Nora integrity line platform, accessible from the company portal and from the DN Group website at <https://denora.integrityline.com/>. The system allows reports to be sent through a guided online questionnaire, without the obligation to register or provide personal data. For more details on the platform functions, please refer to the Global Whistleblowing Policy, which can be accessed at <https://www.denora.com/it/governance/governance-and-business-ethics/whistleblowing.html>.
- in hardcopy, by sending the report in a sealed envelope<sup>9</sup> for the attention of DN Internal Audit Director and Compliance Manager, Via Bistolfi 35, 20134 Milan (Italy);

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<sup>8</sup> *Guidelines for the preparation of Whistleblowing procedures* - Transparency International Italia (Anti-corruption Association) and the ANAC *Guidelines*, according to which: “*Disputes, claims or requests related to a personal interest of the whistleblower or of the a person filing a complaint with the judicial authorities that relate exclusively to his/her personal employment or public employment relationships, or relating to his/her employment or public employment relationships with line managers*”.

<sup>9</sup> With the following methods for packaging the report. The whistleblower shall place their identification details, accompanied by a photocopy of their identification document, in an initial sealed envelope. The text containing a description of the factual elements reported is to be placed in a second sealed envelope. This will separates the identification details of the whistleblower from the report. Both envelopes must then be placed in a third sealed envelope with the wording “DO NOT OPEN - Confidential - Whistleblowing Report” on the outside.

- verbally, by requesting an appointment for a personal interview with the Addressees of the reports.
- electronically (as an alternative if it is impossible to use the other channels), by sending an e-mail to the dedicated e-mail address: [whistleblowing@denora.com](mailto:whistleblowing@denora.com).

The whistleblower shall adopt the communication channel considered most suitable with respect to the nature, urgency and content of the report, giving preference, where possible, to the platform.

In any event, notification of receipt of the report will be sent to the whistleblower within seven days.

In addition to the internal channels, the whistleblower may use external reporting and public disclosure, when the requirements envisaged by Italian Legislative Decree no. 24/2023 are met. Specifically, the whistleblower may submit their report to ANAC through the external reporting channel made available by ANAC ([www.anticorruzione.it/-/whistleblowing](http://www.anticorruzione.it/-/whistleblowing)) if:

- they have already submitted an internal report and it has not been followed up;
- they have reasonable grounds to believe that, if an internal report is submitted, it will not be effectively followed up on, or that the report could result in a risk of reprisals;
- they have reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.

The whistleblower may make public disclosure if:

- they have already submitted an internal and external report and received no response;
- they have reasonable grounds to believe that, given the specific circumstances of the case, the external report could result in a risk of reprisals or might not be effectively followed up.

All information and/or reports received (including those archived) as well as the reports of assessments will be kept in a specific archive. In addition, the reports and related documentation will be kept by the Addressees of the reports in accordance with the *Policy*.

### Measures to protect the whistleblower and the recipients of protection pursuant to Legislative Decree no. 24/2023

The Addressees of the reports are required to protect the confidentiality of the report and to give feedback to the whistleblower on the results of the investigation within 3 months of the receipt notification date.

In particular, reports may not be used beyond the time strictly necessary for adequate follow-up. In addition, the identity of the whistleblower and any other information from which his/her identity may be inferred, directly or indirectly, may not be disclosed without the whistleblower's express consent to persons other than those responsible for receiving or following up on the reports.

Acts of retaliation or discrimination, direct or indirect, against the whistleblower for reasons directly or indirectly associated with the report are prohibited. The protections granted to the whistleblower are also extended to:

- the facilitator<sup>10</sup>;

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<sup>10</sup> The person assisting the whistleblower in the reporting process, operating in the same working context and whose assistance is kept confidential.

- persons in the same working context as the whistleblower with a stable emotional bond or kinship up to the fourth degree;
- co-workers of the whistleblower with whom s/he has a habitual and current relationship;
- entities owned by the whistleblower or for which the whistleblower works, as well as entities operating in the same working context.

Application of the disciplinary system against any whistleblower who makes groundless reports, with wilful intent or gross negligence, does not constitute an act of retaliation, in accordance with the provisions of the following paragraph on the sanction system. Any court finding of the whistleblower's wilful intent or gross negligence involves the loss of protection rights envisaged in Italian Legislative Decree no. 24/2023, triggering the disciplinary system.

Any violation of whistleblower protection measures constitutes a violation of the Model and, as such, may be sanctioned in accordance with the disciplinary system of this Model.

### **SB activities in relation to reports received**

The Supervisory Body is informed of the management of reports carried out by the aforementioned parties appointed by the Company.

More specifically, reports of possible unlawful conduct that constitute or may constitute a violation or suspected violation of the Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/01 or significant unlawful conduct pursuant to Legislative Decree 231/01 must be shared - subject to specific assessment by the Ethics Committee - with the SB by the Addressees of the reports, in order to allow the SB to carry out its own assessments during the supervisory phase and to formulate observations in the event of anomalies, as well as - more generally - to monitor the progress of the management of reports.

Likewise, with a view to constant improvement of the Model, all reports received through the aforementioned channels (including those not '231-relevant') will be shared with the SB.

Submission to the Supervisory Body involves the formal sending of periodic information flows to the SB (to the e-mail address dedicated to receiving information flows) by the Addressees to illustrate the events and investigation methods.

### ***RELATIONS BETWEEN THE SB AND THE CORPORATE BODIES***

The SB will inform the Board of Directors, in a half-yearly report, of the activity performed in the period, with particular reference to the verifications performed, indicating any anomalous situations identified during the year, and formulating proposals as necessary for improvement of the company organisation or of parts of the Model in order to best prevent the risk of committing the crimes envisaged by the Decree.

The SB must in any case promptly report to the Board of Directors any violation of the Model considered to be well-founded, of which it has become aware through a report submitted by employees or which the Body itself has ascertained during its supervisory activity.

The Board of Directors and its Chairman have the right to convene the SB at any time, while the SB, in turn, has the right to request convocation of the aforementioned body for urgent reasons.

### **Relations between the SB and the Board of Statutory Auditors**

At least on a half-yearly basis, a meeting must be held between the Board of Statutory Auditors and the SB to exchange information on the performance of their respective roles and the activities within their remit.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually reporting anomalies under their common remit.

### **Relations between the IDN SB and the SBs of the Italian subsidiaries**

At least half-yearly, a meeting must be held between the SBs of DN Group companies to exchange information on the performance of their respective roles and the activities under their limited remit.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually and promptly reporting anomalies within their shared remit.

### **Relations between the SB and other entities**

#### *Relations with the HPPS*

At least half-yearly, a meeting must be held between the SB and the HPPS to monitor the aspects envisaged in the Special Section of this Model. The HPPS also sends to the SB on a half-yearly basis a specific report on workplace safety with regard to the status of the prevention measures adopted in the company, any critical areas identified in the period of interest, and the improvement actions taken and/or to be taken.

This is subject to the possibility of holding additional meetings if this becomes necessary as a result of events and/or reports that require a specific meeting, subject to the duty of mutually and promptly reporting anomalies within their shared remit.

### **Relations with the Ethics Committee**

At least on an annual basis, the SB makes contact with the Group Ethics Committee in order to exchange, within their relative scope of competence, the necessary information regarding performance of the respective assignments. This is subject to the possibility of additional contacts and/or meetings if this becomes necessary as a result of specific events and/or reports.

### **Relations with the internal company representative**

The SB may appoint an internal Company representative required, where issued with a prior request, to participate in SB meetings, as well as to coordinate the Recipients, on specific request from the SB, in order to best support the SB in its activities and to promote the fulfilment, within the Company, of the

requirements stated and minuted by the SB during its activities, in accordance with Italian Legislative Decree no. 231/2001.

#### **Relations with the Internal Auditor**

At least annually, the Internal Auditor will be required to report on the effectiveness of the internal control system and, where required, will be responsible for carrying out checks on the various business processes potentially at risk of offences. He/she will be required to report quarterly to the SB on activities carried out as referred to in the specific form.

#### **Relations with the Compliance Manager**

At least annually, the Compliance Manager is required to participate in SB meetings and report on activities carried out, as well as to coordinate the Addressees of periodic information flows, at the specific request of the SB, in order to best support the SB in its activities and to promote the fulfilment, within the Company, of the requirements stated and minuted by the SB during its activities, in accordance with Italian Legislative Decree no. 231/2001. He/she will be required to report quarterly to the SB on activities carried out as referred to in the specific form.

**DISCIPLINARY SYSTEM*****GENERAL PRINCIPLES***

In light of the provisions of Art. 6, paragraph 2, letter e) of the Decree, a fundamental element for the effectiveness of the Model is the establishment of a sanction system for any violation of the rules of conduct imposed by it.

The establishment of adequate disciplinary measures aimed at preventing and, where necessary, sanctioning any violations of the rules indicated in this Model in fact constitutes an integral and fundamental part of the Model itself and is aimed at ensuring that it is effective. To this end, the Company has adopted a comprehensive disciplinary system.

The application of the disciplinary system and the respective sanctions is independent from the conduct and outcome of any criminal proceedings brought by the Judicial Authority, if the conduct to be censured also constitutes a type of crime that is relevant in accordance with the Decree.

The disciplinary sanctions will be commensurate with the level of liability of the perpetrator of the infringement, any existence of disciplinary precedents for the same, the severity of the conduct, as well as the intentional nature of the same.

The following types of conduct (the list of which is not exhaustive of the types of disciplinary offences) constitute violations, subject to disciplinary sanctions:

- failure to comply with the general rules of conduct and procedures envisaged by the Model, also if implemented through omissions and aided by others;
- preparation, also in conjunction with others, of incomplete or untrue corporate documentation;
- assistance, by way of omissions, in the preparation, by others, of incomplete or untrue documentation;
- violation of the protection measures envisaged by law for those who, in order to protect the integrity of the entity, have made detailed reports of illegal conduct based upon precise and consistent facts, and/or violations of the Organisation and Management Model of the entity, of which they have become aware based upon the functions performed;
- any other conduct, committed or omitted, that harms or endangers the Company's interest in the effective implementation of the Model.

Having ascertained the violation, the perpetrator will be subjected to a disciplinary sanction proportionate to the severity of the violation committed and to any re-offence.

Any violation of the Model, which may determine the application of a disciplinary sanction, must be notified to the SB.

The SB has, in any case, the power to launch disciplinary proceedings in relation to conduct constituting violations of the requirements of this Model.

### ***SANCTIONS AGAINST DIRECTORS***

In the event of conduct by members of the Board of Directors in violation of the Organisational Model, the Supervisory Body informs the Board of Statutory Auditors and the Board of Directors, which will take the appropriate measures including, for example, calling the Shareholders' Meeting for the purpose of adopting the most suitable measures permitted by law.

If disciplinary sanctions are adopted, the SB must be informed.

### ***SANCTIONS AGAINST THE CONTROL BODY***

In the event of conduct by members of the Board of Statutory Auditors in violation of the Organisational Model, the Supervisory Body informs the Board of Statutory Auditors and the Board of Directors, which will take the appropriate measures including, for example, calling the Shareholders' Meeting for the purpose of adopting the most suitable measures permitted by law.

If disciplinary sanctions are adopted, the SB must be informed.

### ***SANCTIONS AGAINST EMPLOYEES***

If violations of this Model are committed by one or more employees, the SB will immediately inform the Company's Board of Directors and Board of Statutory Auditors. Conduct in violation of the rules contained in this Model will constitute a disciplinary offence and will be sanctioned as envisaged in the disciplinary system approved by the Company, and, more generally, in the National Collective Labour Agreement for the industry.

If disciplinary sanctions are adopted, the SB must be informed.

### ***MEASURES AGAINST EXTERNAL COLLABORATORS AND PARTNERS***

Any conduct adopted by external collaborators, or by industrial and/or commercial partners, in conflict with the code of conduct indicated in this Model and in any case likely to involve the risk of committing one of the crimes indicated in the Decree, may determine, as envisaged by the specific contractual clauses inserted in the engagement letters or agreements, the termination of the contractual relationship.

If contractual remedies are adopted against collaborators or partners, the SB must be informed.

### ***SANCTIONS PURSUANT TO ITALIAN LEGISLATIVE DECREE No. 24/2023***

As expressly envisaged in Art. 6(2)(e) of the Decree, one of the essential elements of the Model is the existence of a *"disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model"*, which - as envisaged in paragraph 2-bis - must also comply with the provisions of the *"Legislative Decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019"* on whistleblower protection.

Specifically, with reference to whistleblowing reports, the following are envisaged:

- sanctions in the event of retaliation or of obstruction or attempted obstruction of the report or of violation of the confidentiality obligation;
- sanctions in the event that no reporting channels have been established, no procedures have been adopted for the submission and management of reports or the adoption of said procedures is not compliant with applicable regulations, as well as when verification and analysis of the reports received has not been carried out;
- sanctions when criminal liability of the whistleblower is confirmed, including in a first instance judgement, for the crimes of defamation or slander or, in any event, for the same offences committed by submitting the report to the judicial authority or accounting body or his/her civil liability is confirmed, including with a first instance judgement, for the same reasons in cases of wilful misconduct or gross negligence.

The sanctions are defined in relation to the role of the addressee, as indicated in previous paragraphs, inasmuch as violations of the whistleblowing system rules are, in themselves, violations of the provisions of this Model.



### STAFF TRAINING

Staff training is an element essential for the effectiveness of the 231/01 Model.

In order to ensure the most effective application of this Model, the SB shall spread awareness of the Model and its provisions within the Company, by distributing the text on paper or electronically (*e-mail or digital platform*), as well as through any other suitable information and awareness-raising initiatives (including publication on the [www.denora.com](http://www.denora.com) website).

Similarly, the Company guarantees the preparation of means and methods that always ensure the traceability of training initiatives, the formalisation of participant attendance and the possibility of assessing their level of understanding and learning. The training can also be carried out remotely or through the use of IT systems, the contents of which are examined by the Supervisory Body.

In particular, all company functions must be trained on:

- Italian Legislative Decree no. 231/2001 and its consequences in relation to administrative liability of the entity;
- the types of offence envisaged in and punished by the combined provisions of Italian Legislative Decree no. 231/2001 and the Model;
- analysis of the areas at risk of the aforementioned offences;
- analysis of the prevention protocols envisaged in the Special Section of this Model;
- the key principles of the whistleblowing regulations (Italian Legislative Decree no. 24/2023) and notably:
  - reference regulatory context;
  - material operation for the information channels and the access methods established to ensure that the reporting system functions correctly;
  - the sanctioning system established for those who violate the whistleblower protection measures, as well as those who, with wilful intent or gross negligence, submit reports that prove to be groundless.
- communication channels of periodic and continuous, specific and generic information flows envisaged by this Model;
- sanction mechanisms envisaged in the event of violation of the requirements contained in this Model.

To that end, the information must be complete, prompt, accurate, accessible and continuous, so as to allow all shareholders, representatives and employees of the Company to gain full awareness of the company directives and be placed in a position to respect them.

All Addressees of the course must undergo - via the De Nora Academy portal - a personal learning assessment test, consisting of multiple-choice questions on the course subjects. In the event of

amendments to the Model and/or new legal provisions and/or changes to the company organisation, specific new training sessions and meetings can also be introduced.

Any unjustified failure to organise and/or participate in the training course will constitute an infringement of this Model, triggering the disciplinary system.

The SB will verify, including by means of sample checks, that all addressees within the Company are effectively aware of the Model.

New employees will receive a copy of this Model from the Head of Human Resources on recruitment, via the company portal or digital platform. The system certifies receipt of the Model, as well as a commitment on the part of the new recruit to comply with its contents.

A paper copy of this Model will remain available to employees at the HR Department, Via Bistolfi 35, Milan.

### *INFORMATION TO EXTERNAL COLLABORATORS AND PARTNERS*

The Company also promotes awareness and compliance with the Model among the commercial and/or industrial partners with which it has significant business relations, as well as among external collaborators who are not employees. These parties are informed of the content of the Model, including in abstract form, from the very start of their professional or commercial relationship. To this end, the General Section of the Model is also published on the Group's website.